



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

700 W. Main Street • Alhambra, CA 91801

Tel: 626.262.4511 • TDD: 626.943.3898 • www.lacdc.org

Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Don Knabe
Michael D. Antonovich
Commissioners

June 21, 2016

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE DISPOSITION OF COMMUNITY DEVELOPMENT COMMISSION OWNED PROPERTY
AND CONSTRUCTION AND PERMANENT FINANCING FOR THE ATHENS VISTAS PROJECT
LOCATED IN UNINCORPORATED ATHENS WESTMONT
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends approval of the disposition of the Community Development Commission (Commission) owned parcels located at 1248, 1252, 1300, 1304 & 1314 W. 105th Street (Property) in unincorporated Athens Westmont. This letter also recommends that your Board approve the allocation of up to \$4,575,900 in funding for the construction and permanent financing of the Athens Vistas affordable housing development.

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Commission has considered the attached Notice of Exemption for the Athens Vistas project, which was prepared by the County of Los Angeles Department of Regional Planning as lead agency and find that this project will not cause a significant impact on the environment.
2. Approve the sale of the Property to Athens Vistas LP (a formed single asset entity) for \$1,350,000, which is the value of the Property, as determined by an independent appraiser.
3. Approve a loan of up to \$4,575,900 to Athens Vistas LP, comprised of \$2,000,000 in HOME Investment Partnerships Program (HOME) funds and \$2,575,900 in County Housing Due Diligence Review funds awarded through the Commission's Notice of Funding Availability (NOFA) Round 21.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D June 21, 2016

LORI GLASGOW
EXECUTIVE OFFICER

4. Authorize the Executive Director, or his designee, to negotiate, execute, and if necessary, amend, reduce, or terminate a Purchase and Sale Agreement as well as a Loan Agreement with Athens Vistas LP, and all related documents, including but not limited to promissory notes, deeds of trust, documents to subordinate the loans to construction and permanent financing, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the development, following approval as to form by County Counsel.
5. Authorize the Executive Director to reallocate funds set aside for this affordable housing development at the time of project funding, as needed, within the project's approved funding limit and the requirements for each funding source.
6. Authorize the Executive Director to waive the Density Bonus monitoring fee of \$27,500.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to execute a Purchase and Sale Agreement as well as a Loan Agreement for five parcels located at 1248, 1252, 1300, 1304 and 1314 W. 105th Street in the Athens Westmont community of unincorporated Los Angeles County with Athens Vistas LP, in which the Los Angeles County Housing Development Corporation (HDC) is the managing general partner. Athens Vistas LP intends to develop the 1.27-acre site into 74 units of affordable multifamily senior development (Project), of which 37 units will be set aside for homeless seniors, 36 units for very low-income seniors, and one manager's unit.

Approval of these actions is requested to ensure that the Project can meet the June 29, 2016 deadline for submitting a Low Income Housing Tax Credit application to the California Tax Credit Allocation Committee (CTCAC).

FISCAL IMPACT/FINANCING

The sale of the Property, in the amount of \$1,350,000, will be funded with two (2) seller carryback loans from Community Development Block Grant (CDBG) and Affordable Housing funds that were originally used for acquisition. The Property will be sold for its appraised value. The seller carryback loan will be evidenced by promissory notes and secured by a deeds of trust, with the term of affordability enforced by a recorded Covenants, Conditions and Restrictions document, following approval as to form by County Counsel.

The recommended loan amount of up to \$4,575,900, comprised of \$2,000,000 in HOME funds and \$2,575,900 in County Housing Due Diligence Review funds, is included in the Commission's approved Fiscal Year 2016-2017 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

HDC is a California nonprofit public benefit corporation 501(c) (3) formed on October 16, 1989 by the Los Angeles County Board of Supervisors. HDC's purpose is to provide services to assist local governments in meeting their legal obligations for affordable housing.

Beginning in 1994, the Commission purchased 1300 & 1314 W. 105th Street with CDBG funds, and in 2000, 1248, 1252 and 1304 W. 105th Street were purchased with Affordable Housing funds with the intention to develop single family homes. However, the late 2000s downturn in the real estate market shifted the development model for the project from single family home ownership to an

affordable multifamily rental project. Since 2014, HDC has diligently pursued the proposed development of affordable senior housing by building local community support, submitting entitlement applications, and seeking the necessary financing. HDC proposes to build a 74-unit affordable housing community for very low-income seniors (62 years of age or older) and homeless senior households. All residents of the Project will have access to an on-site supportive services coordinator provided by The Salvation Army, who will administer resident services including educational, financial, and health programs. It should be noted that the proposed development of senior affordable housing meets one of the three national objectives of the CDBG program.

On May 13, 2014, your Board authorized the Commission to execute an Agreement to Negotiate Exclusively with HDC for the sale of the Property to develop the site into an affordable housing development for low-income individuals, including those with special needs. A Purchase and Sale Agreement is required by CTCAC for Athens Vistas LP to demonstrate site control. Once the project secures an allocation of tax credits, the Commission will then enter into a "seller-carryback" loan agreement with Athens Vistas LP for \$1,350,000, which is the value of the Property, as determined by an independent appraiser. Under the seller-carryback loan agreement, the Commission will transfer the land to Athens Vistas LP and carry a loan on the land, which will be collateralized by a deed of trust recorded against the site for the acquisition price.

On February 23, 2016, and June 8, 2016, your Board approved six of the 10 projects recommended for funding as a result of NOFA Round 21. The Athens Vistas Project is one of the 10 projects recommended for funding. The Commission will return to your Board with separate actions to recommend award for the remaining three projects using the balance of the NOFA Round 21 funding.

As a result of this action, a loan of up to \$4,575,900, comprised of \$2,000,000 in HOME funds and \$2,575,900 in County Housing Due Diligence Review funds, will be used for construction and permanent financing of the Project.

The Loan Agreement and related documents will incorporate affordability restrictions, target assisted populations, and contain provisions requiring the developer to comply with all applicable federal, state, and local laws. The documents will also reflect the Special Needs set asides and indicate that the assisted units will be affordable to households earning no more than 30% of the median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development. The affordable housing units will be set aside for a period of 55 years.

This letter recommends that the Executive Director have the authority to reallocate funds set aside for affordable housing development at the time of project funding to better align project funds with available resources. Any reallocation of funds will be made from the Commission's Affordable Housing Trust Fund, within the Project's approved funding limit, in line with project needs, and within the requirements for each funding source.

On June 1, 2016, the Regional Planning Commission approved a Density Bonus for the Project. Pursuant to the Density Bonus ordinance, the Commission is to collect an annual monitoring fee of \$125 per unit per year for the 55 year affordability period. The Project received a Density Bonus of 52 units. The Density Bonus monitoring fee due is \$27,500, which is assessed on the four Density Bonus set-aside units (4 units x \$125 x 55 years). The 37 Commission-assisted units through the NOFA allocation award will be subject to similar compliance review and site monitoring requirements and the cost will be covered by the NOFA monitoring fee.

ENVIRONMENTAL DOCUMENTATION

The Athens Vistas Project was determined exempt from the requirements of CEQA by the County of Los Angeles Department of Regional Planning in accordance with State CEQA Guidelines Sections 15192 and 15194. The Commission's consideration of this determination satisfies the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will develop much needed affordable housing for low-income seniors in unincorporated Athens Westmont.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:CC:mt

Enclosures

Notice of Exemption

To:

☐ Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

☒ County Clerk
County of: Los Angeles, Environmental Filings
12400 E. Imperial Hwy., #1201
Norwalk, CA 90650

From:

Public Agency: LA County Regional Planning
320 W. Temple Street, 13th Floor
Los Angeles, CA 90012

Project Title: R2015-02845-(2)

Project Applicant: The Los Angeles County Housing Development Corporation

Project Location - Specific:

1248 W. 105th St. (APNs 6060-011-904, -905, -907; 6060-012-900, -901)

Project Location - City: West Athens-Westmont Project Location - County: Los Angeles County

Description of Nature, Purpose and Beneficiaries of Project:

A conditional use permit for the construction and use of an apartment building in the R-2 (Two-Family Residence) Zone. A housing permit for the authorization of a 336% density bonus and the modification of the front yard setback from 20 feet to 15 feet. 100% of the units will dedicated as affordable housing for seniors with one unit set aside for the property manager.

Name of Public Agency Approving Project: Los Angeles County Department of Regional Planning

Name of Person or Agency Carrying Out Project: The Los Angeles County Housing Development Corporation

Exempt Status: (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State type and section number: _____
☐ Statutory Exemptions. State code number: _____
☒ Exemptions for Agricultural Housing, Affordable Housing, and Residential Infill Projects. State type and section number: 21159.23 - Exemption for Affordable Low-Income Housing

Reasons why project is exempt:


The project is a 100% affordable housing project that satisfies the criteria described in sections 21159.21 and 21159.23. See item 15 of the approved Findings.

Lead Agency

Contact Person: Shaun Temple Area Code/Telephone/Extension: (213) 974-6462

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature:  Date: 6/2/16 Title: Senior Regional Planning Asst.

☒ Signed by Lead Agency

☐ Signed by Applicant

Date Received for filing at OPR: _____